



PG&E's Comments on Siting Committee Draft Strategic Plan for Distributed Generation

by

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**CEC Hearing
May 22, 2002**

Introduction and General Comments

- » **PG&E believes CEC has done an excellent job developing the draft strategic plan**
- » **PG&E has long supported the right of customers to install generation on their side of the meter**
- » **PG&E has actively participated in CEC-led effort to streamline DG interconnections, and has established a department focused on interconnection small and large generation projects**
- » **PG&E recognizes the desire to promote “clean” DG technologies**
- » **Draft Strategic Plan is consistent with these key values and contains useful information about current status of DG in California**

Specific Comments

- » **The Proposed definition of “DG” and market share figures should be revised**
 - **Definition should exclude DSM devices**
 - **DG penetration figures should exclude large transmission-connected projects**
- » **PG&E strongly supports the proposal to inventory and evaluate current subsidies, but encourages the CEC to do this at the outset**
 - **In the last two years the state has provided for hundreds of millions of dollars of subsidies for DG**
 - **But no evaluation has been done whether this is an appropriate amount, too much, or too little**
 - **Evaluating the cost-effectiveness and environmental characteristics of DG relative to central station generation and DSM programs should be the first order of business, not one which takes 3 to 5 years to complete.**
 - **It is poor public policy to encourage DG in applications where it is more expensive or more environmentally harmful than other alternatives.**

Specific Comments (Cont'd)

- » **There is no need to change the role that DG now plays in distribution planning**
- » **CEC should encourage DWR or CPA to purchase renewable DG, or provide information about available wholesale purchasers of DG power**
- » **CEC should continue its ongoing interconnection work**
 - **Statewide clarity/consistency on when supplemental studies are required, and what protection is justified in various situations, would promote less costly, lengthy and controversial interconnections**
 - **Enhance DG equipment certification programs**
 - **Consider supporting legislation to make interconnection standards applicable statewide, for both IOUs and public utilities**

Specific Comments (Cont'd)

- » **CEC should take workload and confidentiality issues into account in setting up any new database requirements**
- » **Clarify what is meant by “net metering”**
- » **Delete statements which prematurely suggest DG penetration goals (e.g., “By the year 2020, 20 percent of all incremental generation will be DG”) or otherwise endorse policies to encourage DG absent empirical evidence that such goals or policies are in the public interest**